

AT IAS PART 36 OF THE SUPREME COURT OF THE STATE OF NEW YORK, COUNTY OF NEW YORK, AT THE COURTHOUSE, 60 CENTRE STREET, IN THE COUNTY, CITY AND STATE OF NEW YORK, ON THE \_\_\_DAY OF \_\_\_\_\_, 2013

PRESENT:  
HON. DORIS LING-COHAN, J.S.C.

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	:	Index No. 401265/2012
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In the Matter of the Rehabilitation of	:	Motion Sequence No. 016
FINANCIAL GUARANTY INSURANCE	:	
COMPANY.	:	<b><u>ORDER</u></b>
	:	
	:	
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Upon reading the affirmation (the “**Affirmation**”) of Gary T. Holtzer of Weil, Gotshal & Manges LLP, attorneys for Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York, as court-appointed rehabilitator (the “**Rehabilitator**”) of Financial Guaranty Insurance Company (“**FGIC**”), dated May 29, 2013, in support of the Rehabilitator’s motion for an order pursuant to Section 7428 of the New York Insurance Law approving (i) that certain Settlement Agreement entered into among Residential Capital, LLC and its fifty direct and indirect subsidiaries listed on Exhibit A to the Settlement Agreement (collectively, the “**Debtors**”), FGIC, The Bank of New York Mellon, The Bank of New York Mellon Trust Company, N.A., Law Debenture Trust Company of New York, U.S. Bank National Association and Wells Fargo Bank, N.A., each solely in their respective capacities as trustees, indenture trustees or separate trustees (collectively, the “**Trustees**”) under the Trusts,<sup>1</sup> and the Institutional Investors, dated May 23, 2013 (the “**Settlement Agreement**”) and (ii) that certain Plan Support Agreement entered into among the Debtors, Ally Financial Inc. (“**AFI**”), on its own

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<sup>1</sup> Capitalized terms not defined herein have the meanings ascribed to them in the Affirmation.

behalf and on behalf of its direct and indirect subsidiaries excluding the Debtors, the Official Committee of Unsecured Creditors of the Debtors, FGIC and the other Consenting Claimants (as defined therein), dated May 13, 2013 (the “**Plan Support Agreement**”), to the extent that such Plan Support Agreement relates to FGIC; and upon all the papers previously submitted and proceedings held in the above-captioned rehabilitation proceeding;

AND upon reading and signing the order to show cause dated May 30, 2013 (the “**Order to Show Cause**”);

AND due and proper notice of the Order to Show Cause, the Affirmation and the relief requested therein having been provided as required by the Order to Show Cause, and no further notice being necessary;

AND no objections having been filed to the relief requested in the Affirmation;

This Court finds that:

a. The relief requested in the Affirmation, including (i) with respect to the Settlement Agreement, (a) the settlement and release of FGIC’s obligations and liabilities under or with respect to the Policies, in exchange for FGIC paying the Payment Amount and forgoing future premiums with respect to the Policies and (b) allowance of the FGIC Allowed Claims, in exchange for FGIC releasing the Debtors from additional obligations and liabilities related to the FGIC Claims and (ii) with respect to the Plan Support Agreement, the discharge and release of AFI and Ally Bank from any and all claims arising from or related to the Debtors in exchange for the Debtors’ receipt of approximately \$206.5 million of plan value, including funds contributed by AFI, is in the best interests of FGIC’s policyholders and other claimants and should be granted; and

b. The Trustees have acted reasonably and in good faith in entering into the Settlement Agreement, and the Trustees have not acted negligently in performing their duties in respect of the Settlement Agreement.

NOW, on motion of the Rehabilitator, the Court hereby ORDERS that:

1. The relief requested in the Affirmation is granted;
2. The Settlement Agreement is approved and, pursuant to the terms and conditions of the Settlement Agreement, and subject to the occurrence of the Effective Date (as defined in the Settlement Agreement), the Rehabilitator is authorized and permitted to take the steps necessary to carry out and consummate the Settlement Agreement and the transactions contemplated thereby, including to compromise and settle present and future claims under or relating to the Policies for the aggregate amount of \$253.3 million, and to execute releases and any other instruments;
3. FGIC shall have no further rights, obligations or liabilities under the Policies;
4. The Settlement Agreement, and the settlements, releases and discharges contemplated thereby, shall be binding on all Investors holding Securities insured by FGIC's Policies, and any other persons or entities who were served with notice of the Affirmation pursuant to the Order to Show Cause;
5. The Settlement Agreement is not, and shall not be construed as, a settlement, termination, release, discharge or waiver of any claims (including with respect to the Prepetition Litigation) FGIC may have against non-Debtor affiliates of Residential Capital, LLC (including AFI and Ally Bank), or the Representatives of such non-Debtor affiliates; for the avoidance of doubt, this paragraph 5 does not apply to the Representatives of the Debtors;

6. The Plan Support Agreement is approved as it relates to FGIC and, subject to the terms and conditions of the Plan Support Agreement, the Rehabilitator is authorized and permitted to take the necessary steps to carry out and consummate the Plan Support Agreement and the transactions contemplated thereby, including to settle, discharge and release any and all of FGIC's claims against AFI and Ally Bank arising from or related to the Debtors (including with respect to the Prepetition Litigation), and to execute releases and any other instruments;

7. Service of notice of this Order shall be made by the Rehabilitator posting such notice, together with a copy of the Court Order, at [www.fgicrehabilitation.com](http://www.fgicrehabilitation.com) within five (5) Business Days of the Rehabilitator receiving an entered copy of the Court Order, and such service shall be deemed good and sufficient service of notice of entry of this Order on all Investors and any other persons or entities who may have an interest in the Order; and

8. This Court shall have exclusive jurisdiction to interpret, implement and enforce the provisions of this Order and to adjudicate any dispute arising out of or in connection with the settlement, discharge or release of any rights, interests, obligations or liabilities of the Parties under or otherwise relating to the Policies (including in respect of any claims for payment thereunder).

E N T E R

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J. S. C.